

**ASOS Plc**  
**Group**  
**Tax Strategy**  
**Updated July 2022**



## Introduction

We take our environmental, social and corporate governance (“ESG”) responsibilities very seriously, as demonstrated by our 2030 “Fashion with Integrity” strategy. Our tax strategy helps ASOS fulfil our ESG responsibilities in respect of our tax affairs.

This tax strategy applies to ASOS.com plc, its worldwide subsidiaries and all employees. ASOS have published this document, following approval by the Board, in the current financial year on 22 July 2022, in line with the requirements of paragraph 16(2) of Schedule 19 of the Finance Act 2016.

This tax strategy will outline how ASOS approaches the following areas:

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Wherever we operate, ASOS is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities where possible.

Our commitment is underpinned by the approaches outlined below.

## Risk Management and Governance

The ASOS tax function builds relationships across the business at all levels of seniority to communicate our strategy, promote good governance around tax decisions and provide updates and information on new tax developments. We also strive to ensure tax are involved in assessing plans for any significant business activity early to ensure that tax impacts are recognised and understood. This helps ASOS monitor our tax obligations in the UK and abroad to manage our tax compliance obligations.

Our Chief Operating and Finance Officer is responsible for the Group tax strategy, including the effectiveness of all tax risk processes, risk management and the transparency of compliance and reporting disclosures. The implementation of this strategy is the responsibility of the ASOS Tax Team, under the leadership of the Group Director of Tax, with the assistance of relevant finance and

other business functions. Compliance with this strategy is monitored as part of our ongoing tax control framework and is reported to the Audit Committee where a material risk of non-compliance is identified. This tax strategy is approved by the Board of Directors on an annual basis and updated to address any significant tax matters as they arise.

Our tax function focuses on ensuring that we have a risk management process in place which allows us to meet all our tax obligations. This framework identifies and reports on tax risk across the group. The execution of this framework is the responsibility of the ASOS Tax Team, who partner with relevant business functions to identify and manage risks in a measured and proactive manner.

## **Accepted levels of risk**

ASOS endeavours to operate a framework of processes and controls that identify and mitigate tax risk across the business. As ASOS continue to expand, we understand that the complex and fast-paced international tax landscape means that there is always an element of tax risk and uncertainty inherent in our day-to-day operations. To ensure we are doing everything we can to have clear visibility of our risk profile, we have formalised the way we identify, measure, monitor and report on our tax risk to ensure mitigating steps are taken in a reasonable and proportionate way.

Like many other multi-national retailers, we acknowledge there is a risk for ASOS where jurisdictions differ in their interpretation of a particular tax treatment or law. Where there is uncertainty as to the correct treatment of an item under the relevant tax law we take steps to resolve the matter and file returns based on the position which is more likely than not to be correct. We do not take tax positions that are not defensible.

## **Tax Planning Principles**

The foundation of our tax planning approach dictates that any decisions undertaken should not compromise our status with the tax authorities. This extends to any tax planning decision which may be seen as extreme, aggressive or are outside of the spirit of the law.

ASOS are committed to ensuring that we meet compliance obligations for all the jurisdictions in which we operate in order to safeguard our reputation as a responsible taxpayer. In line with our ESG and “Fashion with Integrity” vision, ASOS intends to act with transparency on all tax matters to comply with the letter and spirit of tax legislation both at home and abroad.

ASOS may undertake tax planning opportunities that align with our commercial objectives and that may result in tax efficient positions in so far as they are genuine commercial and economic activities. As part of our tax planning procedures, management will approve any arrangements before they take place.

ASOS do not intend to undertake any aggressive tax planning practices as part of maintaining its group structure or undertaking its day-to-day business. In line with our ASOS values, we do not use

tax structures or undertake transactions with the sole purpose of creating an artificially tax efficient result.

Where necessary, we also seek the input of qualified external advisors to ensure local custom and practice is considered in line with legislation who we instruct to act in accordance with the principles set out in this Strategy.

### **Tax Transparency and policy making process**

As a business, we aim to be honest, fair and truthful in all of our dealings with the tax authorities. As such, we seek to anticipate any risks at an early stage, including clarifying areas of uncertainty with the authorities where possible.

We fully support the principles behind multilateral moves that increase transparency and understanding of tax systems. In order to support these principles, we may disclose contentious issues and details of key transactions where appropriate. Prior to submission of tax data, key details of business changes or areas of contention may be highlighted to the tax authorities for their awareness.

ASOS strive to use our positive relationship with tax authorities to take an active role in contributing to the tax policy-making process, including responding to government consultations.

### **Relationships with Tax Authorities**

ASOS will ensure correct and accurate data is shared with the relevant tax authority to ensure the Group is fully compliant.

ASOS have always fostered relationships with governments and tax authorities that are constructive and based on mutual respect. We continue to be engaged in an open dialogue with HMRC in the UK through communication with our Customer Compliance Manager and aim to enter into similar dialogues in all overseas territories where we operate.

### **Compliance and Reporting Principles**

Our business activities generate a large range of taxes in a number of territories. We pay corporate income taxes, stamp duties and employment taxes. We also pay environmental and plastic packaging levies where applicable. In line with our FWI approach, we are seeking to reduce our environmental impact and the amount of these taxes should reflect these broader improvements. In addition to taxes payable, we collect employee taxes and indirect taxes such as VAT and customs duties. For all of these taxes we aim to comply with relevant laws, regulations and reporting requirements both in the UK and internationally. It is of primary importance that we pay the correct

amount of tax at the right time, under all relevant laws and regulations for the jurisdictions in which we operate.

ASOS have always worked to ensure that all tax returns, filings and payments are accurate, complete and correctly submitted. ASOS adhere to a policy of disclosure in respect of all tax matters and work collaboratively, wherever possible, to resolve any issues which may arise and achieve agreement and certainty on tax due.

In an ever-changing international tax landscape, ASOS understands that transparency in international compliance and reporting is crucial. Our Transfer Pricing policy aims to reflect adequately the allocation of profits among countries and our subsidiaries, based on their economic and value contribution in compliance with all relevant laws. We also provide country by country reporting data in line with applicable legislation.

### **Creating Tax Efficiency**

As a business, ASOS seek to claim any appropriate tax incentives and plan our tax affairs efficiently in the jurisdictions in which we operate. Considerations in this area are always aligned with the overall business model and the letter and spirit of the law in jurisdictions where we operate.

We seek to pay the right amount of tax in each country. We do not pay taxes that are not legally due or that are claimed on an unprincipled or unjustified basis. We do protect the reputation of the Group and consider taking all actions legally available whenever we have a strong business and tax position. We aim to resolve disputes without recourse to courts whenever practical.

### **People and Organisation**

The ASOS Tax Team, guided by this strategy under which it operates, is both fit for purpose and dynamic enough to enable it to support the continuing development of the operational and geographic make-up of the business. ASOS employs an in-house team of Tax and Customs professionals who partner with internal business functions to handle the day-to-day administration and compliance of taxes. For certain tax obligations, we have outsourced our tax compliance and reporting functions to third parties and ensure this is completed in line with the objectives outlined in this strategy.